

From: "dcotton25@cs.com%inter2" <dcotton25@cs.com>
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Email: dcotton25@cs.com

FirstName: Thomas

LastName: Cotton for Va Peanut Growers Assn

Address1: 1001 Campbell Ave

Address2: PO Box 59

City: Franklin

State: Virginia

zipcode: 23851

Question1: This is more so a trade matter than a farm policy matter.

With producer prices so low, government payments as allowed under farm policy have become a significant part of a producer's income.

Rental arrangements many times take some of these payments in consideration, thereby affecting the price a producer pays to farm that land. However, there are many more issues which put our farmers at a competitive disadvantage with other nation's producers and affect him more than the land situation does. The cost of doing business in this country when compared to other producers around the world is itself enough to discourage young farmers. These costs include but are not limited to the following: (1) EPA regulations which translate into higher chemical costs for our producers than their competitors, (2) FDA regulations and (3) Currency fluctuations. We will continue to lose producers until it is realized that it is absurd to think that US producers can be competitive with other world's producers when ours are at a disadvantage due to the "costs of doing business here".

Question2: There must first be a realization of the differences among the same industry from country to country. For example, in the case of peanuts, the US produces peanuts for the edible market with the residue being crushed for oil. Other countries, such as China and India, produce for the oil market. However, our trade agreements are skewed to providing increased benefits to "developing" countries. In terms of peanut production, the US is the only developed country growing peanuts-the rest are developing and thus receive greater trade concessions at the expense of our producers. Our country can produce any product needed. However, finished products are generated from the raw product out of the field. If this raw product costs more in the US to produce, due to our economy, then we find our producers being undercut from cheaper foreign production.

Question3:

Question4: Farm policymakers must coordinate their efforts in this regard with other government entities, such as EPA and FDA. As an example, most producers in the Virginia/Carolina region deal with strict environmental policies due to the proximity of numerous important bodies of water. Currently our researchers are in the final years of developing a peanut which had inserted in it a gene from barley. This gene allows the peanut to be essentially free from one or more of the diseases for which farmers treat their fields. If there is no disease, there is no need to apply fungicides. However, FDA must take this in consideration when reviewing the application for approval of this peanut. They cannot ignore their responsibilities to the public of assuring a wholesome product. Instead, they must use a fast track approach so that the benefits from growing this peanut can accrue to producers as soon as is possible. Further, the producer should be able to take some kind of credit for paying the added development royalties that are attributed to new technology if this technology reduces chemical applications.

Question5: The infrastructure for agriculture exists in the rural areas.

This is where it must be maintained. More USDA help to cooperatives would be a start to helping farmers survive. They must be able to band together and do it more effectively than is the case today. In Southeastern Virginia there used to be 75,000 acres of peanuts among 8 adjoining counties. Today there are 20,000 acres. This is a loss of over \$40 million in peanut income alone. Sure, other crops in some cases have been produced but they do not have the financial security that peanuts once did. As a result, more land sales have occurred leading to higher rent for the farmers left because of the decline in the number of agricultural acres. The new technologies mentioned in question 4 will help stop this slide, but only if the technology is available soon and the farmers are able to cooperatively control more of the final consumer product than they do today.

Question6: More grants to agricultural institutions should be made available for market and product research. About 15 years ago SE Va lost its ARS facility. We now have to rely on other states and researchers to do some of the work for us. We have a first rate land grant institution and researchers. With more available funds we would not be so reliant on others to do the work needed by our producers.